

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Mitchell Energy Corporation (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM89051 ; Lease Name: Apache 13/24 Fed.

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
Apache "13" Fed #1	_____	<u>13</u>	<u>22-S</u>	<u>30E</u>	<u>Livingston Ridge, NE</u>
Apache "24" Fed #1	_____	<u>24</u>	<u>22-S</u>	<u>30E</u>	<u>Strawn</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. NM89052 ; Lease Name: Apache "25" Fed.

	<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
	<u>#1</u>	_____	<u>25</u>	<u>22-S</u>	<u>30E</u>	<u>Atoka</u>
Com	<u>#2</u>	_____	<u>25</u>	<u>22-S</u>	<u>30E</u>	<u>Wolfcamp</u>
	_____	_____	_____	_____	_____	_____

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BCPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
Apache "13" Fed #1	<u>3</u>	<u>60.1</u>	<u>1,635</u>
Apache "24" Fed #1	<u>6</u>	<u>59.8</u>	<u>1,260</u>
Apache "25" Fed #1	<u>3</u>	<u>59.7</u>	<u>900</u>
Apache "25" Fed.Com. #2	<u>3</u>	<u>52.2</u>	<u>250</u>
_____	_____	_____	_____
_____	_____	_____	_____

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Continued:

The proposed operation is described in det 1 on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at NE -1/4, Sec. 24, T 22S, R 30E, on lease No. NM89051, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

The sales and fuel volumes allocation is a prorata allocation to each lease using the lease orifice check meter integrated volume statements.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature: David Purdy
Name: David Purdy
Title: Engineering Technician
Date: September 11, 1996